



## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2024 [J-GAAP]

November 10, 2023

**Company Name:** Dai Nippon Printing Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 7912 URL: <https://www.global.dnp/>  
 Representative: Yoshinari Kitajima, President  
 Contact person: Naoki Wakabayashi,  
 General Manager, IR and Public Relations Division  
 Telephone: +81-3-6735-0124  
 Securities report issuing date: November 10, 2023  
 Dividend payment date: December 8, 2023  
 Preparation of quarterly earnings presentation material: Yes  
 Holding of quarterly results briefing: Yes (for institutional investors and analysts)

(Amounts under one million yen have been rounded down.)

### 1. Consolidated financial results for the first six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

#### (1) Consolidated financial results

(Percentages show change from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Parent Company Shareholders	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	693,752	3.8	27,532	(0.2)	37,465	2.1	76,230	172.9
Six months ended September 30, 2022	668,482	1.7	27,591	(10.5)	36,704	0.8	27,933	(17.4)

Note: Comprehensive income: For the first six months ended September 30, 2023: ¥64,860 million (-%)  
 For the first six months ended September 30, 2022: ¥5,747 million (-92.9%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Six months ended September 30, 2023	297.86	297.83
Six months ended September 30, 2022	104.19	104.17

#### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As of September 30, 2023	1,863,359	1,176,150	59.2
As of March 31, 2023	1,830,384	1,148,245	59.4

Note: Stockholders' equity: As of September 30, 2023: ¥1,104,028 million As of March 31, 2023: ¥1,087,504 million

## 2. Dividends

	Annual Dividends (Yen)				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
Year ended March 31, 2023	–	32.00	–	32.00	64.00
Year ending March 31, 2024	–	32.00			
Year ending March 31, 2024 (Forecasts)			–	32.00	64.00

Note: Revisions to the most recently announced dividend forecasts during the second quarter: No

## 3. Consolidated earnings forecasts for the year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages show change from corresponding year-ago period.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Parent Company Shareholders		Net Income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,410,000	2.7	67,000	9.4	78,000	(6.8)	88,000	2.7	346.35

Note: Revisions to the most recently announced earnings forecasts during the second quarter: No

At a meeting of the Board of Directors held on March 9, 2023, the Company resolved to repurchase its own shares. In the calculation of “net income per share” in the consolidated earnings forecasts, the impact of the share repurchase after October 1, 2023 based on this resolution is not taken into account.

### Other information

(1) Changes in significant subsidiaries during the first six months (changes in specified subsidiaries resulting in change of scope of consolidation): No

(2) Application of accounting procedures peculiar to quarterly consolidated financial statement preparation: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

1) Changes in accounting policies with revision of accounting standards: No

2) Changes in accounting policies other than the 1) above: No

3) Changes in accounting estimates: No

4) Restatement of revisions: No

(4) Number of common shares issued and outstanding

1) Number of common shares outstanding at end of each period (including treasury shares)	As of September 30, 2023	292,240,346 shares	As of March 31, 2023	292,240,346 shares
2) Number of treasury shares at end of each period	As of September 30, 2023	40,328,061 shares	As of March 31, 2023	30,724,570 shares
3) Average number of shares outstanding during the period (cumulative from the start of the fiscal year)	Six months ended September 30, 2023	255,931,212 shares	Six months ended September 30, 2022	268,094,803 shares

\* These financial results are exempt from auditing by a certified public accountant or an auditing company.

\* Explanation regarding appropriate use of earnings forecasts and other special notes

Forward-looking statements in this report, including earnings forecasts, are based on assumptions about economic conditions, market trends, and other factors at the time the report was published. Actual results may differ significantly due to a variety of factors.

For information about earnings forecasts, see the section titled, “1. Qualitative information on the consolidated results for the second quarter (3) Explanation of the consolidated earnings forecasts and other projections,” on page 5.

The DNP Group will hold a results briefing (online conference) for institutional investors and analysts on November 15, 2023. Materials used at the briefing will be uploaded to the DNP website at around 13:00 JST the same day.

## Contents

<b>1. Qualitative information on the consolidated results for the second quarter .....</b>	<b>2</b>
<b>(1) Explanation of the consolidated financial results .....</b>	<b>2</b>
<b>(2) Explanation of the consolidated financial position.....</b>	<b>4</b>
<b>(3) Explanation of the consolidated earnings forecasts and other projections .....</b>	<b>5</b>
<b>2. Quarterly consolidated financial statements and key notes .....</b>	<b>6</b>
<b>(1) Quarterly consolidated balance sheets .....</b>	<b>6</b>
<b>(2) Quarterly consolidated statements of income and quarterly consolidated         statements of comprehensive income.....</b>	<b>8</b>
<b>(3) Quarterly consolidated statements of cash flows.....</b>	<b>10</b>
<b>(4) Notes regarding quarterly consolidated financial statements .....</b>	<b>12</b>
<b>[Notes on premise of a going concern].....</b>	<b>12</b>
<b>[Significant changes in shareholders' equity] .....</b>	<b>12</b>
<b>[Segment information].....</b>	<b>12</b>

## 1. Qualitative information on the consolidated results for the second quarter

### (1) Explanation of the consolidated financial results

The environment surrounding the DNP Group during the first six months of the fiscal year ending March 31, 2024 showed signs of gradual economic recovery, including growth in domestic personal consumption and inbound tourism-related demand, and continued improvement in the Bank of Japan's business conditions diffusion index (DI) for large companies in both manufacturing and non-manufacturing industries. At the same time, the future remains difficult to predict, largely because prolonged geopolitical risks and monetary tightening in various regions around the world are raising concerns about a potential economic slowdown.

Amid these types of major changes in the environment, society, and economies, the DNP Group is keeping its eye on the long term as it combines its unique strengths in "P&I" (printing and information), increases collaboration with diverse external partners, and expands its fields of business in order to create a better future based on its own ideas. The Group is currently implementing a Medium-term Management Plan that covers the three fiscal terms from the year ending March 2024 to the year through March 2026. Through concrete initiatives based on business strategies, financial strategies, and non-financial strategies, DNP will focus on the continuous creation of business value and shareholder value.

In terms of business strategies, we will build a robust business portfolio over the medium to long term as we accelerate the creation of new value, primarily in focus business areas. Regarding financial strategies, we will continue to appropriately allocate the cash flow that we generate toward investments in further business growth and shareholder returns. Concerning non-financial strategies, we will strengthen the business base that supports our long-term growth, mainly through three measures: enhancing human capital, enhancing intellectual capital, and addressing environmental concerns.

As a result of these efforts, consolidated net sales for the first six months grew 3.8% year on year to ¥693.7 billion, consolidated operating income fell 0.2% to ¥27.5 billion, consolidated ordinary income grew 2.1% to ¥37.4 billion, and net income attributable to parent company shareholders grew 172.9% to ¥76.2 billion due mainly to the recording of extraordinary gains on the sale of investment securities.

With the start of the second quarter of the fiscal year ending March 2024, improved performances by digital interfaces and other focus businesses made up for declines in those businesses in the first quarter, so operating income posted in the first six months was little changed from the same period a year earlier.

In order to clarify the business domains and strategies of each of our business segments, and in order to accelerate the execution of concrete measures, as of the first quarter of the fiscal year through March 2024, we changed the name of the Information Communication segment to Smart Communication, and we renamed the Lifestyle and Industrial Supplies segment to Life & Healthcare. At the same time, in order to contribute even further to comfortable lives for people, we transferred our Beverages business to Life & Healthcare, to which it is closely related. Comparisons and analyses pertaining to the first six months of the fiscal year through March 2024 are based on the new segment classification.

#### · Smart Communication

In Imaging Communications, photo printing materials performed well, primarily in the European and Asian markets.

Regarding information security, large-scale business process outsourcing (BPO) projects helped boost the bottom line. In October, DNP established a BPO operations base in Hiroshima City, Hiroshima Prefecture, its first in the Chugoku/Shikoku area. In addition to enhancing DNP's ability to respond to growing demand for BPO in general, the Group intends to further solidify this business as a way to support its business continuity plan (BCP). In the smart card business, sales of dual-interface cards that feature both contact and contactless standards on a single IC

chip stood out for their strong performance.

In marketing, we strove to provide optimal value for each of our client companies by combining the knowledge of marketing techniques that we have cultivated over the course of many years with our strength in digital technologies. As a result, performance in this sector was little changed from the previous year despite continued shrinkage in the market for paper media.

Our publishing business enjoyed growth in sales of library management services in addition to solid results from the distribution of e-books and other media via our hybrid sales business that combines brick-and-mortar stores with online sales. However, overall Publishing sales were similar to a year earlier, largely due to the contraction of the market for magazines and other paper media.

Concerning Content and XR (extended reality) Communication, we worked to strengthen our XR communication business, which increases the value of people's experiences by integrating real and virtual spaces. In addition, in order to create new businesses related to this field, the DNP Group acquired Hacosco Inc., a company that developed strengths in "brain tech" and XR businesses primarily by combining neuroscience with IT.

In the education field, DNP, together with Lenovo Japan LLC, was selected by the Tokyo Metropolitan Government to support the construction and operation of Tokyo's "virtual learning platform" (VLP) project, which is aimed at creating online learning spaces. Going forward, DNP will continue to support the activities of local governments and classrooms throughout Japan as they work to provide a variety of educational opportunities under the nation's "No one left behind" policy.

As a result of the above, overall segment sales grew 0.8% year on year to ¥350.5 billion. Although operating income was supported by positive factors including increased information security sales, the promotion of structural reforms, and success in boosting operational efficiency, it was also pressured by lower sales in paper media and other areas, as well as increases in raw material and personnel costs, resulting in sales of 8.5 billion yen, down 9.2% from the same period last year.

#### · Life & Healthcare

Helped by a recovery in automobile production, the Mobility and High-Performance Industrial Supplies businesses enjoyed increased sales of battery pouches for lithium-ion batteries, for use in both automotive applications and IT devices. Sales of photovoltaic cell-related products in general and encapsulants in particular were solid, backed by rising global demand. In addition to selling decorative films for automotive interior use, we expanded our automotive product lineup by starting to sell decorative films for exterior use. These films feature highly aesthetic designs, save time on painting, and reduce environmental impact.

Our Packaging business was affected by consumers who limited their purchases of food products and household goods due to soaring prices. However, sales still exceeded the previous-year level, thanks largely to our focus on the development and sales of functional packaging materials such as DNP's eco-friendly "GREEN PACKAGING<sup>®</sup>," along with increased sales of formed plastic products.

The Living Spaces business enjoyed solid sales of DNP's WS (Woody Series) interior materials, with their excellent surface performance qualities and attractive designs, for use in non-residential applications as well as in condominiums. However, sales of products for residential use decreased due to a decline in domestic housing starts (owner-occupied homes). Overseas, too, sales declined due to inflation's chilling effect on consumption, and overall sales decreased compared to the previous year.

Sales by DNP's Beverages business increased online and in restaurants, and price revisions in major sales channels such as vending machines, supermarkets, and convenience stores, also

helped to boost sales above the previous year's level.

In the Medical and Healthcare field, CMIC CMO Co., Ltd. became a consolidated subsidiary of the DNP Group as of the first quarter of the fiscal year through March 2024. Since June 2023, the Company has been collaborating with the CMIC Group on activities including the integrated manufacture of pharmaceuticals from active pharmaceutical ingredients as well as the development of value-added pharmaceuticals.

As a result of the above, segment sales grew 6.7% year on year to ¥231.7 billion. Despite the impact of increased costs, including raw materials and logistics, operating income soared by 78.7% over the same period last year to 5.1 billion yen, thanks to strong performances by focus businesses and high-margin products.

#### · **Electronics**

In our Digital Interface business, sales of metal masks used for manufacturing organic light-emitting diode (OLED) displays were solid due to increasing adoption of organic EL displays in smartphones. In addition, sales of optical films also started to grow as the effects of the previous year's inventory adjustments across the supply chain had run their course, and sales for this business as a whole rose relative to the previous year.

In semiconductors, sales of photomasks used for making chips remained stable relative to a year earlier due to demand related to client companies' product development, but due to a slowdown in the semiconductor market, there was a decline in sales of lead frames and other semiconductor package components, resulting in lower overall sales compared to the previous year.

As preparation for the mass production of nanoimprinted products, whereby patterns are formed by pressing minute molds measured in nanometers (billionths of a meter) onto objects, DNP entered into a capital and operational alliance with SCIVAX Corporation. In April 2023, the two companies established a joint venture company called Nanoimprint Solutions Co., Ltd. The partners plan to respond to the needs of manufacturers in Japan and overseas by combining DNP's strengths, which include technologies for making master molds used in making cutting-edge nanoimprinted products as well as mass production and quality control know-how, with SCIVAX's strengths, such as mass production equipment and machinery design technologies.

As a result of the above, overall segment sales grew 7.8% year on year to ¥112.6 billion. Despite strong sales related to digital interfaces, operating income declined 2.7% year on year to 25.0 billion yen, due to such factors as a downturn in semiconductor-related sales and higher costs of raw materials and energy.

## **(2) Explanation of the consolidated financial position**

Total assets as of the end of the second quarter increased by ¥32.9 billion from the end of the previous fiscal year to ¥1,863.3 billion, due mainly to an increase of property, plant and equipment, and cash and time deposits and a decline in marketable securities and investment securities.

Total liabilities increased by ¥5.0 billion from the end of the previous fiscal year to ¥687.2 billion, due mainly to an increase in long-term debt and a decrease in short-term bank loans.

Net assets increased by ¥27.9 billion from the end of the previous fiscal year to ¥1,176.1 billion due mainly to an increase in net income and a decrease in dividends from surplus, the acquisition of treasury shares, and the valuation difference on available-for-sale securities.

Cash and cash equivalents at the end of the first six months of the fiscal year increased by ¥13.4 billion from the end of the previous fiscal year to ¥271.7 billion.

Cash flows from operating activities resulted in income of ¥38.4 billion (versus ¥25.9 billion in

the same period of the previous year), mostly due to ¥96.4 billion in income before income taxes and non-controlling interests and ¥26.2 billion of depreciation.

Cash flows from investing activities resulted in an income of ¥35.7 billion (versus an outlay of ¥29.6 billion in the same period of the previous year), mostly due to the expenditure of ¥32.0 billion for the acquisition of property, plant and equipment and proceeds from sales of investment securities of 64.2 billion yen.

Cash flows from financing activities resulted in an outlay of ¥64.5 billion (versus ¥29.3 billion in the same period of the previous year) due to such factors as a net decrease of ¥8.1 billion in short-term bank loans, the expenditure of ¥37.6 billion for the acquisition of treasury shares, and dividend payments of ¥8.3 billion.

### **(3) Explanation of the consolidated earnings forecasts and other projections**

Our earnings forecasts for the fiscal year ending March 2024 are unchanged from the forecasts announced on May 17, 2023.

**2. Quarterly consolidated financial statements and key notes**  
**(1) Quarterly consolidated balance sheets**

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>ASSETS</b>		
Current assets		
Cash and time deposits	246,438	265,411
Notes, trade receivables, and contract assets	329,762	332,137
Marketable securities	22,800	7,500
Merchandise and finished products	85,026	90,498
Work in progress	33,890	40,439
Raw materials and supplies	35,946	39,840
Other	49,819	35,589
Allowance for doubtful accounts	(688)	(931)
<b>Total current assets</b>	<b>802,995</b>	<b>810,486</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	182,209	194,908
Machinery and equipment, net	65,954	76,037
Land	139,907	145,575
Construction in progress	20,284	22,758
Other, net	28,073	34,419
<b>Total property, plant and equipment</b>	<b>436,429</b>	<b>473,699</b>
Intangible fixed assets		
Other	30,360	37,821
<b>Total intangible fixed assets</b>	<b>30,360</b>	<b>37,821</b>
Investments and other assets		
Investment securities	341,215	315,728
Other	221,412	227,773
Allowance for doubtful accounts	(2,029)	(2,148)
<b>Total investments and other assets</b>	<b>560,598</b>	<b>541,353</b>
<b>Total fixed assets</b>	<b>1,027,389</b>	<b>1,052,873</b>
<b>TOTAL ASSETS</b>	<b>1,830,384</b>	<b>1,863,359</b>



(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>LIABILITIES</b>		
Current liabilities		
Notes and trade payables	224,418	224,449
Short-term bank loans	30,301	22,204
Reserve for bonuses	20,433	20,390
Repair reserve	17,549	24,261
Other	105,868	102,244
Total current liabilities	398,571	393,550
Long-term liabilities		
Bonds	100,000	100,000
Long-term debt	13,772	31,844
Repair reserve	9,506	–
Net defined benefit liability	54,740	58,092
Deferred tax liabilities	84,659	77,839
Other	20,888	25,881
Total long-term liabilities	283,567	293,658
<b>TOTAL LIABILITIES</b>	<b>682,139</b>	<b>687,209</b>
<b>NET ASSETS</b>		
Stockholders' equity		
Common stock	114,464	114,464
Capital surplus	145,112	145,125
Retained earnings	737,699	805,560
Treasury stock	(88,212)	(125,753)
Total stockholders' equity	909,064	939,397
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138,781	121,689
Net deferred gains (losses) on hedges	(21)	32
Foreign currency translation adjustments	14,143	20,601
Remeasurements of defined benefit plans	25,535	22,306
Total accumulated other comprehensive income	178,439	164,630
Non-controlling interests	60,741	72,122
<b>TOTAL NET ASSETS</b>	<b>1,148,245</b>	<b>1,176,150</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,830,384</b>	<b>1,863,359</b>

**(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**

**Quarterly consolidated statements of income**  
**First six months of the fiscal years**

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	668,482	693,752
Cost of sales	525,634	546,726
Gross profit	142,847	147,025
Selling, general and administrative expenses	115,256	119,493
Operating income	27,591	27,532
Non-operating income		
Interest and dividend income	2,620	3,121
Equity in earnings of affiliates	6,028	7,302
Other	3,179	2,494
Total non-operating income	11,828	12,918
Non-operating expense		
Interest expense	341	420
Contributions	713	576
Other	1,660	1,988
Total non-operating expenses	2,715	2,985
Ordinary income	36,704	37,465
Extraordinary gains		
Gains on sale of fixed assets	1,156	150
Gain on sale of investment securities	20	60,667
Gains on forgiveness of debts	2,267	–
Other	408	–
Total extraordinary gains	3,853	60,818
Extraordinary losses		
Loss on sale or disposal of fixed assets	452	817
Loss on devaluation of investment securities	179	528
Other	523	531
Total extraordinary losses	1,156	1,877
Income before income taxes and non-controlling interests	39,401	96,405
Current income taxes	8,817	15,314
Deferred income taxes	(33)	3,376
Total income taxes	8,784	18,690
Net income	30,617	77,715
Net income attributable to non-controlling shareholders	2,683	1,484
Net income attributable to parent company shareholders	27,933	76,230

**Quarterly consolidated statements of comprehensive income**  
**First six months of the fiscal years**

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net income	30,617	77,715
Other comprehensive income		
Valuation difference on available-for-sale securities	(34,874)	(17,640)
Net deferred gains on hedges	25	59
Foreign currency translation adjustments	10,419	7,653
Remeasurements of defined benefit plans	(3,189)	(3,137)
Share of other comprehensive income of affiliates accounted for using equity method	2,749	210
Total other comprehensive income	(24,869)	(12,854)
Comprehensive income	5,747	64,860
Attributable to:		
Parent company shareholders	2,278	62,421
Non-controlling shareholders	3,468	2,439

**(3) Quarterly consolidated statements of cash flows**

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	39,401	96,405
Depreciation	24,347	26,294
Increase (Decrease) of doubtful accounts	(66)	273
Increase of net defined benefit asset	(8,982)	(8,602)
Increase of net defined benefit liability	2,532	2,353
Equity in gains of affiliates	(6,028)	(7,302)
Amortization of consolidation goodwill, net	243	328
Interest and dividend income	(2,620)	(3,121)
Interest expense	341	420
Net (gains) losses on sales of investment securities	8	(60,666)
Net losses on devaluation of investment securities	179	528
Net (gains) losses on sales or disposal of fixed assets	(692)	683
Decrease in trade receivables	12,476	4,129
Increase in inventories	(10,926)	(7,925)
Decrease in trade payables	(15,922)	(3,221)
Gains on forgiveness of debts	(2,267)	–
Other	7,994	16,001
Sub-total	40,017	56,580
Payments for repair costs	(3,445)	(2,794)
Payments for extra retirement payments	(8)	(71)
Payment of income taxes	(10,581)	(15,255)
Net cash provided by operating activities	25,981	38,458
<b>Cash flows from investing activities</b>		
Net (increase) decrease in time deposits	579	(407)
Net decrease in marketable securities	–	10,300
Payments for purchases of property, plant and equipment	(28,298)	(32,001)
Proceeds from sales of property, plant and equipment	333	1,225
Payments for purchases of investment securities	(270)	(511)
Proceeds from sales of investment securities	295	64,218
Payments for purchase of intangible fixed assets	(5,831)	(6,599)
Payments for purchase of stock in subsidiaries resulting in change in scope of consolidation	–	(8,459)
Interest and dividends received	3,849	8,277
Other	(316)	(318)
Net cash provided by (used in) investing activities	(29,658)	35,724

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from financing activities</b>		
Net decrease in short-term bank loans	(9,697)	(8,105)
Proceeds from long-term debt	1,600	3,119
Repayments of long-term debt	(2,148)	(1,028)
Payments for redemption of bonds	(25)	(2,000)
Payments for purchases of treasury stock	(7,159)	(37,697)
Payments for establishment of money trusts for the purpose of purchasing treasury stock	–	(7,268)
Payments for purchases of treasury stock of subsidiaries	(0)	(0)
Interest paid	(342)	(417)
Dividends paid	(8,608)	(8,368)
Dividends paid to non-controlling interests	(510)	(1,369)
Income from the sale of shares of a subsidiary without a change in the scope of consolidation	–	982
Other	(2,473)	(2,379)
Net cash used in financing activities	(29,365)	(64,533)
Effect of exchange rate changes on cash and cash equivalents	5,360	3,728
Net increase (decrease) in cash and cash equivalents	(27,682)	13,376
Cash and cash equivalents at beginning of year	293,361	258,329
Increase in cash and cash equivalents resulting from the merger of non-consolidated subsidiaries	–	45
Cash and cash equivalents at end of period	265,678	271,751

#### (4) Notes regarding quarterly consolidated financial statements

##### [Notes on premise of a going concern]

None

##### [Significant changes in shareholders' equity]

Treasury stock increased by ¥37,541 million during the first six months of the fiscal year ending March 2024, due mainly to share repurchases based on a resolution passed by the Board of Directors on March 9, 2023.

##### [Segment information]

###### I. First six months of previous fiscal year (April 1, 2022 – September 30, 2022)

###### Information on sales and income/loss by reporting segment and income analysis information

(Million yen)

	Reporting segment				Adjustment Note 1	Amounts reported on quarterly consolidated statements of income <sup>Note 2</sup>
	Smart Communication	Life & Healthcare	Electronics	Total		
Net sales <sup>Note 3</sup>						
Outside customers	346,941	217,056	104,483	668,482	–	668,482
Inter-segment	871	81	–	953	(953)	–
Total	347,813	217,138	104,483	669,435	(953)	668,482
Segment income	9,404	2,867	25,795	38,067	(10,476)	27,591

- Notes:
1. Segment income is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.
  2. Segment income is adjusted to reflect operating income as reported on the quarterly consolidated statements of income.
  3. Sales include revenues generated from contracts with customers as well as other revenues, but because almost all revenues are generated from contracts with customers, the other revenues are insignificant and are therefore not displayed separately.

###### II. First six months of current fiscal year (April 1, 2023 – September 30, 2023)

###### 1. Information on sales and income/loss by reporting segment and income analysis information

(Million yen)

	Reporting segment				Adjustment Note 1	Amounts reported on quarterly consolidated statements of income <sup>Note 2</sup>
	Smart Communication	Life & Healthcare	Electronics	Total		
Net sales <sup>Note 3</sup>						
Outside customers	349,452	231,658	112,641	693,752	–	693,752
Inter-segment	1,054	69	–	1,123	(1,123)	–
Total	350,506	231,727	112,641	694,875	(1,123)	693,752
Segment income	8,535	5,122	25,088	38,746	(11,213)	27,532

- Notes:
1. Segment income is adjusted for costs related to basic research not assignable to a reporting segment or costs of research shared by different segments.
  2. Segment income is adjusted to reflect operating income as reported on the quarterly consolidated statements of income.
  3. Sales include revenues generated from contracts with customers as well as other revenues, but because almost all revenues are generated from contracts with customers, the other revenues are insignificant and are therefore not displayed separately.

2. Matters related to changes in reporting segments, etc.

In order to clarify the business domains and strategies of each of our reporting segments, and in order to accelerate the execution of concrete measures, as of the first quarter of the fiscal year through March 2024, we changed the name of the Information Communication segment to Smart Communication, and we renamed the Lifestyle and Industrial Supplies segment to Life & Healthcare. At the same time, in order to contribute even further to comfortable lives for people, we transferred our Beverages business to Life & Healthcare, to which it is closely related, and we eliminated the Beverage segment.

Segment information for the first six months of the previous fiscal year is presented based on the new name and classification method.